### **RULES**

#### OF

# TENNESSEE DEPARTMENT OF HEALTH BUREAU OF HEALTH SERVICES ADMINISTRATION PRIMARY HEALTH CARE ADVISORY BOARD

# CHAPTER 1200-20-2 PRIMARY MEDICAL CARE SERVICES DELIVERY PROGRAM

#### TABLE OF CONTENTS

1200-20-201	Definitions	1200-20-204	Eligible Items of Expenditure
1200-20-202	Purpose of the Primary Medical Care	1200-20-205	Ineligible Items of Expenditures
	Service Delivery Program	1200-20-206	Distribution of Financial Assistance
1200-20-203	Guidelines For Project Proposals	1200-20-207	Health Access Loan Repayment Program

**1200-20-2-.01 DEFINITIONS.** The following definitions shall apply to terms as they appear in these rules of the Division of Health Access, unless the context clearly requires otherwise.

- (1) ANTICIPATED PRACTICE START DATE The agreed upon date the candidate anticipates he will commence the practice of one of the primary care specialties in a designated PSA.
- (2) APPLICANT One who applies to the Department for financial assistance in developing health access proposals. An applicant may be an individual, agency or organization.
- (3) BOARD A Board is a legally constituted governing body of an organization created for the purpose of planning, establishing, conducting, and evaluating comprehensive health services responsive to the needs of communities to be served.
- (4) CANDIDATE a physician enrolled in or having completed a full-time primary care specialty training program that is approved by the Accreditation Council for Graduate Medical Education.
- (5) CENSUS COUNTY DIVISION (CDC) A subdivision of a rural county defined by the U.S. Department of Commerce Bureau of the Census.
- (6) COMMISSIONER The Commissioner of the Tennessee Department of Health.
- (7) COMMUNITY A society or body of people living in the same place, under the same laws and regulations, who have common rights, privileges or interests.
- (8) COMMUNITY POPULATION A population concentration in and around a named place, extending no farther than the boundaries of the Census County Division containing the population.
- (9) CONTINUITY OF CARE Continuous on-going care by a health care provider who is available to deliver health care services (or has provided for appropriate professional coverage in his absence) with access to the patients' records, 24 hours, 7 days a week. Continuity of care includes availability to medical laboratory services and 24 hour per day admitting privileges to a hospital.
- (10) CONTRACTOR An agency or entity that has qualified to deliver or assist with the delivery of health care services and has entered into such a contract with the Tennessee Department of Health.
- (11) COUNTY, RURAL A county with a rural population in excess of 75 percent.
- (12) DEPARTMENT The Tennessee Department of Health.
- (13) DIRECTOR The Director of the Health Access Division of the Tennessee Department of Health.

- (14) DIVISION The Health Access Division of the Department of Health which includes the Primary Care Section and the Physician Placement Section.
- (15) ENCOUNTER A face-to-face contact between a patient and a health care provider during which medical, nursing, dental, social, health education/promotion or family planning services are provided and documented in the patient's health record.
- (16) GRANT The disbursement of funds to an applicant.
- (17) GRANTEE An agency or organization that successfully applies for and receives approval for a grant from a governmental agency.
- (18) HEALTH CARE PLAN Planned strategies to provide health care services in a named community for a targeted population.
- (19) HEALTH CARE PROVIDERS The full range of health care professionals who contribute to ensuring adequate availability of primary health services including but not limited to: practical nurses, registered nurses, physical therapists, occupational therapists, certified physician assistants, certified nurse practitioners, certified nurse practitioners with a specialty in nurse midwifery, primary care physicians (family practice, general practice, pediatrics, obstetrics and gynecology, internal medicine) and hospitals. All such providers must maintain required licenses to practice their professions.
- (20) HEALTH MANPOWER SHORTAGE AREA (HMSA) A geographic area which is designated by the Secretary of the U.S. Department of Health and Human Services as having an acute shortage of health care providers.
- (21) LOAN AGREEMENT The document signed by the candidate and the Commissioner of Health defining the terms of the loan repayment and the service obligation.
- (22) MATCH The designated contribution from the community that is required in order to qualify for State funds under the Primary Care Service Delivery Program. These community assets may be cash or in-kind contributions.
- (23) MONITORING A system of on-going observation and evaluation of health care delivery.
- (24) OPERATING REVENUES All cash receipts (not accrued revenue) received by the grantee in the delivery of primary health care services.
- (25) PATIENT COLLECTIONS Clinic cash receipts (not accrued revenue) generated from patient encounters for primary care services which include, but are not limited to, laboratory, x-ray, pharmacy, a physician and/or medical support personnel services. Patient collections include: Medicaid, Medicare, private insurance, other third party pay, Title XX and self pay.
- (26) PHYSICIAN a person licensed to practice medicine or surgery in Tennessee.
- (27) PHYSICIAN PLACEMENT SERVICE (PPS) A Section of the Division of Health Access whose purpose is to assist communities or populations located in physician shortage areas in the recruitment and retention of licensed physicians.
- (28) PHYSICIAN SHORTAGE AREA (PSA) An area and/or defined population in the state of Tennessee designated by the Division of Health Access, Tennessee Department of Health, as having a shortage of primary care physicians.

- (29) PHYSICIAN SHORTAGE AREA FOR OBSTETRICS (PSAO) An area in the State of Tennessee designated by the Physician Placement Service (PPS) as having a shortage of physicians providing obstetrical delivery services.
- (30) PHYSICIAN TO POPULATION RATIO The ratio derived by dividing the population of the area by the number of physicians providing primary medical care services in the area. Only physicians spending an average of at least 20 hours per week of their time providing direct patient care, in an office or facility based practice, and who are under 65 years of age in the year that the ratio is determined, shall be counted; interns, residents and federally assigned physicians are excluded.
- (31) POPULATION The number of persons residing in an area according to the most recent census in the most current issue of "Current Population Reports" as determined and published by the U.S. Department of Commerce Bureau of Census.
- (32) POPULATION, RURAL Non-urban population.
- (33) POPULATION, URBAN According to the 1980 census definition, the urban population comprises all persons living in (a) places of 2,500 or more inhabitants incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England States, New York, and Wisconsin), but excluding those persons living in the rural portions of extended cities (places with low population density in one or more large parts of their area); (b) census designated places (previously termed unincorporated of 2,500 or more inhabitants); and (c) other territory, incorporated or unincorporated, included in urbanized areas. An urbanized area consists of a central city or a central core, together with contiguous closely settled territory, that combined have a total population of at least 50,000.
- (34) POVERTY GUIDELINES (Federal) Guidelines established by the U.S. Department of Health and Human Services (formerly by the Community Services Administration) and published annually in the Federal Register that are used to determine the federal poverty level.
- (35) PRIMARY CARE CENTER A facility in which one enters the health care system and receives primary medical care. The office of a physician in private practice is excluded from this definition, unless the physician elects to place his office under the provisions of the law governing primary care centers under the authority of the T.C.A. §68-1-701 et seq., and the Rules of the Department at Chapter 1200-20-1 et seq.
- (36) PRIMARY CARE SPECIALTY Family Practice, Internal Medicine, Pediatrics, and Obstetrics/Gynecology.
- (37) PRIMARY MEDICAL CARE Basic entry level of health care generally rendered by health care providers, usually rendered in an outpatient setting (general practitioners, family practitioners, internists, obstetricians and gynecologists, pediatricians, certified nurse practitioners, (including certified nurse practitioners with a specialty in nurse midwifery) and certified physician assistants]. This type of care emphasizes caring for the patient's general health needs as opposed to a more specialized or fragmented approach to medical care.
- (38) PROJECT PROPOSAL A plan to provide access to primary medical care services.
- (39) PROTOCOL Written guidelines for medical management of patients that are sufficient in detail to include the scope of delegated medical management duties. It is jointly prepared and accepted by a physician and nurse practitioner, nurse midwife and/or physician assistant, consistent with state law.

- (40) QUALITY ASSURANCE Designated standards for evaluation of services established by the Tennessee Department of Health and published in the Quality Assurance Guidelines, Bureau of Health Services, 1987, as amended.
- (41) REFERRAL SERVICES Special diagnostic and treatment services which are not generally delivered by a primary care provider and for which patients are referred to another health care provider or facility.
- (42) SECONDARY CARE Health care necessary to supplement primary care to meet the patient's needs, requiring the knowledge of a physician who is a specialist. Most often inpatient care at a community hospital; however, this type of care can also be rendered in an outpatient or ambulatory care setting.
- (43) SUBCONTRACTOR One who takes from the principal or prime contractor a specific part of the work undertaken by the principal contractor.
- (44) TERTIARY CARE Subspecialty care usually requiring the facilities of a university-affiliated or teaching hospital which has extensive diagnostic and treatment capabilities.
- (45) TRAINING PROGRAM A residency or fellowship in an institutional program approved by the Accreditation Council for Graduate Medical Education, the completion of which is a prerequisite for certification by a medical specialty board.

**Authority:** T.C.A. §§4-3-1803, 68-1-103, and 68-1-702. **Administrative History:** Original rule; filed June 17, 1988; effective September 28, 1988.

#### 1200-20-2-.02 PURPOSE OF THE PRIMARY MEDICAL CARE SERVICE DELIVERY PROGRAM.

- (1) The Primary Medical Care Service Delivery program was established for the purpose of providing health access to the citizens of Tennessee who might not otherwise receive the necessary health care.
- (2) These rules are being adopted to assist communities in the recruitment, placement and retention of health care personnel, including the coordination of such effort with health science programs at post-secondary schools and other institutions involved in the training of health care providers. It is the further intent of these rules to assist in the provision of primary health care services in underserved areas of the state in order to better serve the health care needs of the public, including, but not limited to, the development of primary care service delivery plans, increased coordination with existing or proposed primary care providers, provision of technical assistance, and the distribution of financial assistance to eligible primary medical care service delivery programs in order to develop and sustain a minimum level of medical care services. This program is subject to availability of funds appropriated for this purpose by the Tennessee General Assembly.

Authority: T.C.A. §§4-3-1803, 68-1-103, and 68-1-702. Administrative History: Original rule filed June 17, 1988; effective September 28, 1988.

## 1200-20-2-.03 GUIDELINES FOR PROJECT PROPOSALS

- (1) Duty of the Division To the extent funds are made available for distribution, the Division shall:
  - (a) Develop plans for and coordinate the efforts of public and private entities assisting in the provision of primary health care services in PSA's and PSAO's.
  - (b) Provide technical assistance, directly or through contractual arrangements, to eligible projects, in the areas of community development, administrative and financial management, clinical services, outreach, and planning;

- (c) Provide financial assistance for eligible project proposals which applicants have demonstrated a need for assistance in order to sustain a minimal level of delivery of primary health care services; and
- (d) Assist PSA and PSAO communities in the recruitment, placement and retention of health care providers and to coordinate such efforts with health science programs.
- (2) Eligibility In order to receive financial assistance, the following requirements must be met by an applicant.
  - (a) The contractor must be a Tennessee community-based entity which would provide, either directly or indirectly, primary medical care services to residents of a defined population.
  - (b) The contractor shall have a governing board whose membership is generally representative of the population it serves, including consumers of the health care services it provides.
  - (c) For personnel recruitment, the contractor shall have a local recruitment committee which is representative of the demographics of the community population and is comprised of both health care providers and consumers. The committee's duties shall include: assuring adequate physician call coverage, providing access to continuing medical education and malpractice insurance for a physician recruit, completion of a community analysis, and development of a marketing strategy for the practice. Health Access personnel will assist the community in forming such committee upon request.
  - (d) The contractor or community must have the capability to carry out the purposes or goals of Section 1200-20-2-.02 of these rules through the provision of a minimum level of primary care services through the utilization of a physician and/or physician extender and which may include medical support, diagnostic and treatment services, laboratory, radiology, preventive health services, and patient follow-up, counseling and referral.
  - (e) The contractor must match a request for program funds with a minimum of 20% of the proposed budget.
  - (f) Assure that services to be provided will be easily accessible regardless of income, physical or mental status and geographic location.
  - (g) Offer continuity of care.
  - (h) Provide for appropriate access to secondary and tertiary care services.
  - (i) Utilize a range of health care providers to facilitate comprehensive care.
  - (j) Be efficiently managed so that they are both responsive to need and conserving of resources.
- (3) The Division shall enter into agreements with communities or other entities and shall establish priorities for funding based on need and commitment of communities to participate.

**Authority:** T.C.A. §§4-3-1803, 68-1-103, and 68-1-702. **Administrative History:** Original rule filed June 17, 1988; effective September 28, 1988.

**1200-20-2-.04 ELIGIBLE ITEMS OF EXPENDITURES.** Upon written approval by the Director of Health Access, funds made available through these regulations may be used for the following types of expenditures:

- (1) Salaries and benefits for employees of contractor in support of the provision of primary health care services.
- (2) Professional practice liability insurance costs for obstetrical services.
- (3) Purchase, repair and/or maintenance of office supplies and minor equipment and medical supplies and equipment.
- (4) In-state and out-of-state travel for Health Access personnel to visit health science educational institutions and attend professional meetings.
- (5) In-state and out-of-state travel for Health Access personnel to obtain training or improve coordination to better support or provide primary health care services.
- (6) Travel and per diem expenses to assist potential recruits and their spouses to visit underserved communities.
- (7) Advertising expenses to attract a pool of interested candidates.
- (8) General overhead and operating expenses.
- (9) Mass mailings to recruit physicians into Tennessee communities.
- (10) Recruitment fairs and other ordinary and necessary expenditures to match physicians with communities, hospitals and other providers.
- (11) Activities that advise and assist communities in their efforts to retain existing physicians.
- (12) Programs or plans to improve the coordination, effectiveness or efficiency of the delivery of primary health care services.
- (13) The Health Access Loan Repayment Program as established and defined in subsection 1200-20-2-.07 of these rules.

Authority: T.C.A. §§4-3-1803, 68-1-103, and 68-1-702. Administrative History: Original rule filed June 17, 1988, effective September 28, 1988.

# 1200-20-2-.05 INELIGIBLE ITEMS OF EXPENDITURE. COSTS WHICH ARE NOT ELIGIBLE FOR FUNDING ARE:

- (1) Purchase of land,
- (2) Building purchase, construction, or renovation,
- (3) Debt amortization,
- (4) Emergency medical service personnel, training or equipment,
- (5) Home Health Care or Visiting Nurses Services,
- (6) School Nurse Programs,
- (7) Care provided by hospitals, recuperation centers, nursing homes, homes for the aged, home health agencies, mental health centers, or ambulatory surgical treatment centers,

(8) Specialty Care (e.g., payment or reimbursement for care provided other than primary care; i.e. licensed health care facility based surgery, long-term care).

Authority: T.C.A. §§4-3-1803, 68-1-103, and 68-1-702. Administrative History: Original rule filed June 17, 1988; effective September 28, 1988.

**1200-20-2-.06 DISTRIBUTION OF FINANCIAL ASSISTANCE.** In any fiscal year, the distribution of financial assistance to an eligible project proposal selected pursuant to these regulations shall be determined according to the following guidelines:

- (1) In any fiscal year a maximum single distribution shall not exceed an amount greater than 25 percent of the funds made available by the Department for the purpose of distribution of financial assistance for this program.
- (2) Determination of an eligible project proposal for financial assistance shall consider, at a minimum, the following criteria:
  - (a) The need of an eligible project proposal for financial assistance to sustain or provide a minimum level of primary health care services, as outlined in the application process section of these rules,
  - (b) The demographic profiles developed by the Division which determine and rank high need areas within the state,
  - (c) The percentage of the medically indigent residing in the defined population served by the applicant,
  - (d) The applicant's dependence on patient collections as a percentage of total revenues available to the applicant for operating expenses,
  - (e) Projects which propose to demonstrate increased productivity or improved efficiency of the applicant's primary health care services,
  - (f) Proposals which demonstrate coordination and/or innovative relationships with Department of Health and other health care providers, and
  - (g) Proposals that exhibit a reasonable probability of self perpetuation without public funds at some point in the future.

**Authority:** T.C.A. §§4-3-1803, 68-1-103, and 68-1-70. **Administrative History:** Original rule; filed June 17, 1988; effective September 28, 1988.

**1200-20-2-.07 HEALTH ACCESS LOAN REPAYMENT PROGRAM.** This subsection establishes the guidelines by which the Department of Health may repay certain loans incurred by primary care physicians during their medical training, including medical school.

This subsection further establishes the program guidelines by which the Department of Health designates these physician shortage areas that are available to physician loan repayment recipients to engage in the clinical practice of medicine in order to satisfy their obligated period of service. Approved candidates for loan repayment will receive the loan repayment in one installment.

This program is subject to availability of funds appropriated for this purpose by the Tennessee General Assembly.

(1) Eligibility Criteria

A candidate for the Loan Repayment Program shall:

- (a) Be a citizen of the United States.
- (b) Have been accepted into, enrolled in, or completed a primary care specialty residency training program approved by The Accreditation Council for Graduate Medical Education.
- (c) Execute an agreement expressing an intent to commence the practice of a primary care specialty in a Physician Shortage Area in Tennessee within three months after the successful completion of the primary care specialty training program. If the candidate has already successfully completed the Accreditation Council for Graduate Medical Education approved training program, the candidate must agree to commence his practice within three months of execution of the loan agreement.
- (d) Have incurred a loan or loans determined to be eligible for loan repayment.
- (e) Submit a completed application. (Evaluation of applications for loan repayment will not commence until the application is complete and all supporting documents have been submitted. Applications will be considered in order of submission of a completed application.)
- (f) Not accept, or have accepted, any other financial assistance that carries with it a service obligation that in any way overlaps or conflicts with this loan repayment program.

## (2) Restrictions of Program

- (a) The maximum amount of loan repayment shall not exceed \$50,000 per physician.
- (b) The approved candidates will be responsible for the payment of any and all taxes due as a result of the receipt of these loan repayment funds.
- (c) Recipients of loan repayments will be relieved of loan obligations at the rate of \$20,000 per year of service in a Tennessee Physician Shortage Area. The minimum period of service for loan repayment obligations is one year. The maximum obligated period for a loan repayment of \$50,000 is 2.5 years.
- (d) By the acceptance of loan repayment, a physician obligates him or herself for a period of service in an area of the state determined to have a shortage of physicians.
- (3) Pay Back Penalty in Lieu of Service in a Physician Shortage Area

A pay back penalty of the total of all loan repayment at the rate of three dollars for every dollar of loan repayment will relieve the recipient of the obligation to serve in a Physician Shortage Area. In the event a loan repayment recipient elects to practice in a PSA for a portion of his obligated period the 3 to 1 payback will be due on the unserved portion of the obligated period. Credit for service will be applied for each month of completed service in a PSA.

(4) Cancellation of the Obligation to Practice in a Tennessee Physician Shortage Area

The obligation to practice in a PSA or PSAO and the payback obligations are canceled in the event of the death of the loan repayment recipient.

(5) Deferment

- (a) All practice obligations and payback obligations may be deferred during any period of time in which the recipient of loan repayment has:
  - 1. his/her license to practice medicine suspended or revoked,
  - a mental or physical disability or impairment which prevents the recipient of loan repayment funds from practicing medicine.
- (b) Any such deferment shall be requested in writing. Deferments not so requested within thirty (30) days of the onset of the grounds listed in (a) 1. or 2., above, may be denied.
- (6) Failure to Complete a Primary Care Specialty Training Program

A loan repayment applicant who fails to successfully complete a primary care specialty training program within 2 years from the date of his/her loan repayment agreement agrees to:

- (a) Cancellation of the agreement, or
- (b) With the approval of the Tennessee Commissioner of Health accept assignment into a PSA to practice as a General Practitioner.
- (7) Selection of Loan Repayment Recipients

Otherwise eligible candidates shall be selected for loan repayment in the following manner:

- (a) A community based physician recruitment committee has determined that a candidate is acceptable for assignment into that community which is a designated physician shortage area.
- (b) A selection committee composed of the Director of the Division of Health Access, the Director of Primary Care and the Director of Physician Placement Service has interviewed the candidate and made recommendations to the Commissioner, who shall make the final selection(s).
- (c) Candidates approved by the community based physician recruitment committee, and recommended by the selection committee, will be ranked according to the following system:
  - 1. Previous Residence The community of origin of the applicant is an indicator of a physician's choice of a practice site. The counties or populations designated by the Physician Placement Service as shortage areas of physicians reflect this type of community. Points shall be assigned to community and county origins as follows:
  - 2. Community of Origin Applicants will list their place of residency prior to commencement of their training program. Points will be awarded based upon the size of the community as follows:
    - (i) Community of less than 4500, or urban population PSA 3 points

(ii) Community of 4501-6000 2 points

(iii) Community of 6001-8500 1 point

- 3. County of Residency (2 points) The applicant will list his county of residence immediately preceding entrance into medical school. Should this county be listed as a shortage area for physicians, two points shall be given. No points will be assigned to non-shortage area counties.
- (d) In the event of a tie between applicants at a point when insufficient funds are available to fully fund all applicants, the remaining funds will be distributed according to the earliest application dates.

# (8) Designation of Shortage Areas

The Physician Placement Service (PPS) will determine whether an area is eligible to be designated as a PSA through the application of criteria and procedures established herein. If PPS determines that an area is eligible to be a PSA, the Commissioner of Health will so designate the area as a PSA. The Commissioner may also remove such a designation of an area when it is determined that an area no longer meets the criteria.

- (a) Criteria for Determination of Physician Shortage Areas
  - 1. To be designated as a PSA, Physician Placement Service shall consider:
    - (i) whether the area is a rational area for the delivery of primary medical care. The following areas shall be considered rational areas for the delivery of primary medical care services:
      - A county, or a group of contiguous areas whose population centers are within 30 minutes travel time of each other.
      - (II) A portion of a county, or an area made up of portions of more than one county, whose population, because of topography, market or transportation patterns, distinctive population characteristics or other factors, has limited access to contiguous area resources, as measured generally by a travel time greater than 30 minutes to such resources.
    - (ii) whether the travel distances to available primary medical care create a need for additional primary health care services. The following distances will be used as guidelines in determining distances, corresponding to 30 minutes travel time:
      - (I) Under normal conditions, with primary roads available: 20 miles.
      - (II) In mountainous terrain or in areas with only secondary roads available: 15 miles.
      - (III) Within inner portions of metropolitan areas, travel times and availability on the public transportation system will be used to determine the distance corresponding to 30 minutes travel time.
    - (iii) The area has a population to full-time-equivalent primary care physician ratio that exceeds 3000:1.
    - (iv) All Health Manpower Shortage Areas for Primary Care will also be accepted as PSAs for the purpose of this program.

- (b) To be designated as a Physician Shortage Area for Obstetrics (PSAO), the Physician Placement Service shall consider:
  - 1. These criteria permit exceptions to the ratio specified in subsection (a) above only in the case of obstetrical case. If an area meets the criteria outlined herein as a rational area for the delivery of primary medical care services, it can be designated as a PSA for obstetrics (PSAO) if:
    - (i) the ratio of the total population (all ages and sexes) to the physicians who perform obstetrical deliveries as part of their normal practice exceeds 10,000:1 or
    - (ii) the number of deliveries per obstetrical physician exceeds 200:1 or
    - (iii) the ratio of population of women of child bearing age (15 to 44) to the obstetrical physician is in excess of 2500:1. This designation as a PSAO would enable a Family Practitioner or Obstetrician, who will agree to perform deliveries as part of their normal practice, to locate in a PSAO and receive loan repayment.
- (c) Process for Requests for Designation of a Physician Shortage Area
  - Any citizen, organization, or local governing body of an area that includes any part of a rational area for the delivery of primary care may request designation as a PSA or PSAO through Physician Placement Service. To initiate this process, a written request from the individual or community representative shall be submitted to the Physician Placement Service, setting forth the information necessary for the evaluation of the request. The request must include area identification, and contain all information addressed by these rules.
  - 2. Designations as PSA or PSAO will expire five years from the date of designation unless redesignation is requested. Redesignation requests must be submitted, in writing, with the same supporting elements required as in an original designation request.

**Authority:** T.C.A. §§4-3-1803, 68-1-103, and 68-1-702. **Administrative History:** Original rule; filed June 17, 1988; effective September 28, 1988.